

Commonwealth of Massachusetts
Department of Telecommunications and Energy
Fitchburg Gas and Electric Light Company
Docket Nos. D.T.E. 02-24/25
Responses to the Department's Seventh Set of Information Requests

Request No. DTE 7-43 (Gas):

Refer to Sch. JLH-1, at 9-10. Please elaborate with supporting schedules on the statement "[i]n the MBA method, the capacity and commodity costs of gas slated for injection and their associated transportation costs are accumulated and assigned to the winter period."

Response:

Capacity costs consist of base use and remaining capacity costs. Base use capacity costs were defined as a portion of the supply and transportation costs associated with long lines pipeline supplies. Consequently, transportation costs and storage capacity costs associated with storage is included in the category of remaining demand costs. Schedule JLH-4 (Gas), Page 4 of 5, shows that approximately 95% of all remaining capacity costs were assigned to the winter period. The computation of storage related commodity costs are shown in the Workpapers Supporting Schedule JLH-4 (Gas), Page 26, previously provided as the attachment to the response to DTE 7-40. The Company's commodity cost estimates show the volumes and costs of gas flowing to customers. Consequently, the dispatch model information shows the commodity costs delivered from storage and do not show the purchase of gas costs placed into storage. As a result, the storage commodity costs are assigned to the winter period when the gas is withdrawn from storage. The workpapers supporting Schedule JLH-4 (Gas), Page 28, show that less than 3/10 of 1% of storage commodity costs are assigned to the summer period.

Person Responsible: James L. Harrison